

June 15, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Re: Notification of *Ex Parte* Communication
WT Docket Nos. 96-86, 06-150, 06-169; PS Docket No. 06-229

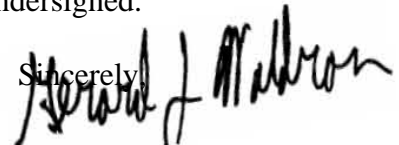
Dear Ms. Dortch:

This letter is to report a permitted, oral *ex parte* communication of Frontline Wireless, LLC ("Frontline") concerning the above-referenced proceedings.

On June 14, 2007, Reed Hundt met with Commissioner Michael J. Copps and his legal advisor, Bruce Gottlieb. In the meeting, the parties discussed Frontline's Public Safety Deployment Plan and the many benefits the public/private partnership proposed by Frontline would provide the public safety community. Further, the parties spoke about Frontline's commercial provisions designed to promote innovation, competition, roaming and rural services. Finally, they discussed whether the Commission's small business credit policies should be withheld from the E Block auction. The attached slides were presented in the meeting.

Please direct any questions concerning this matter to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerard J. Waldron".

Gerard J. Waldron
*Counsel to Frontline
Wireless, LLC*

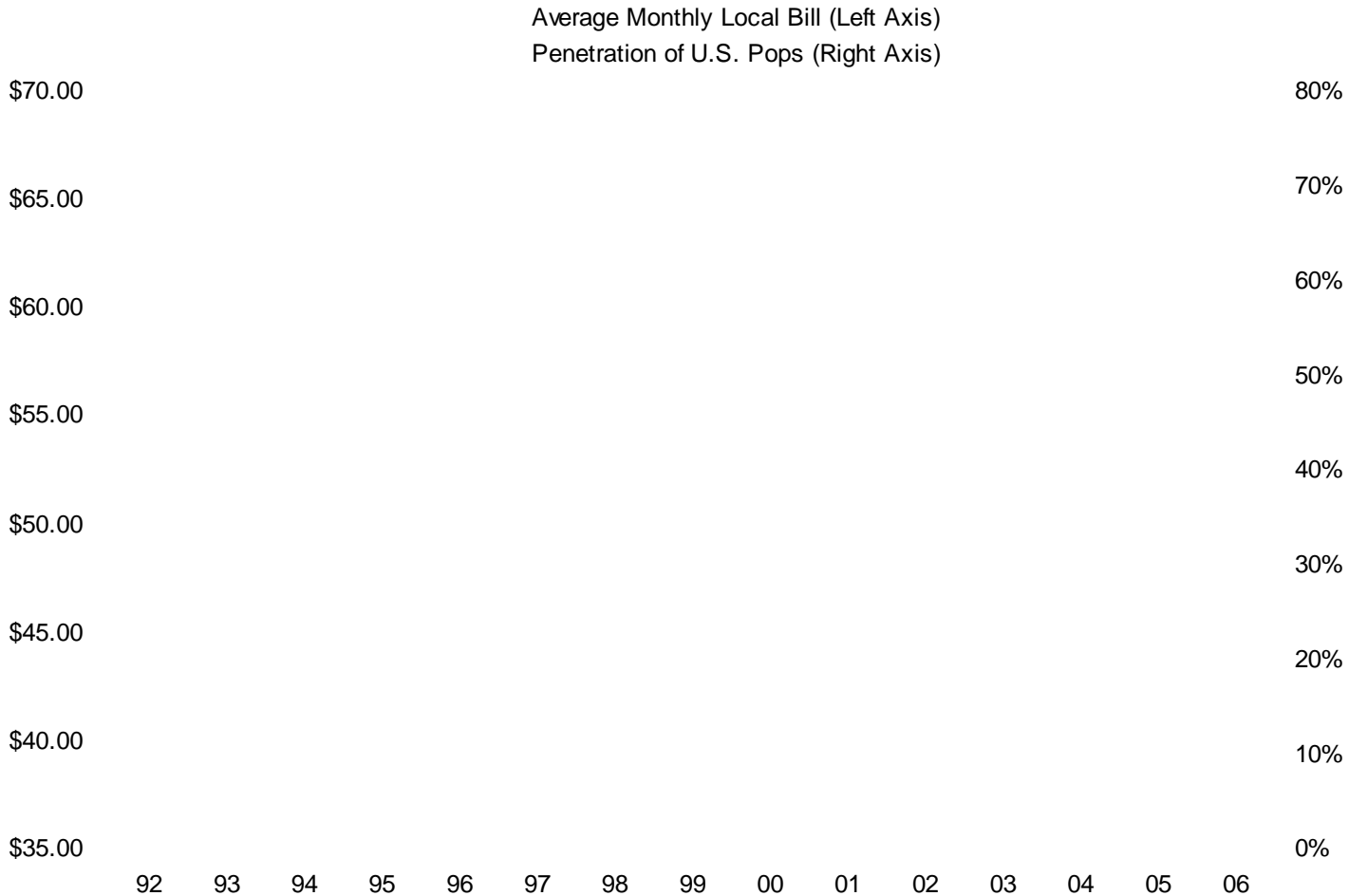
cc: Bruce Gottlieb

Promoting Wireless Competition

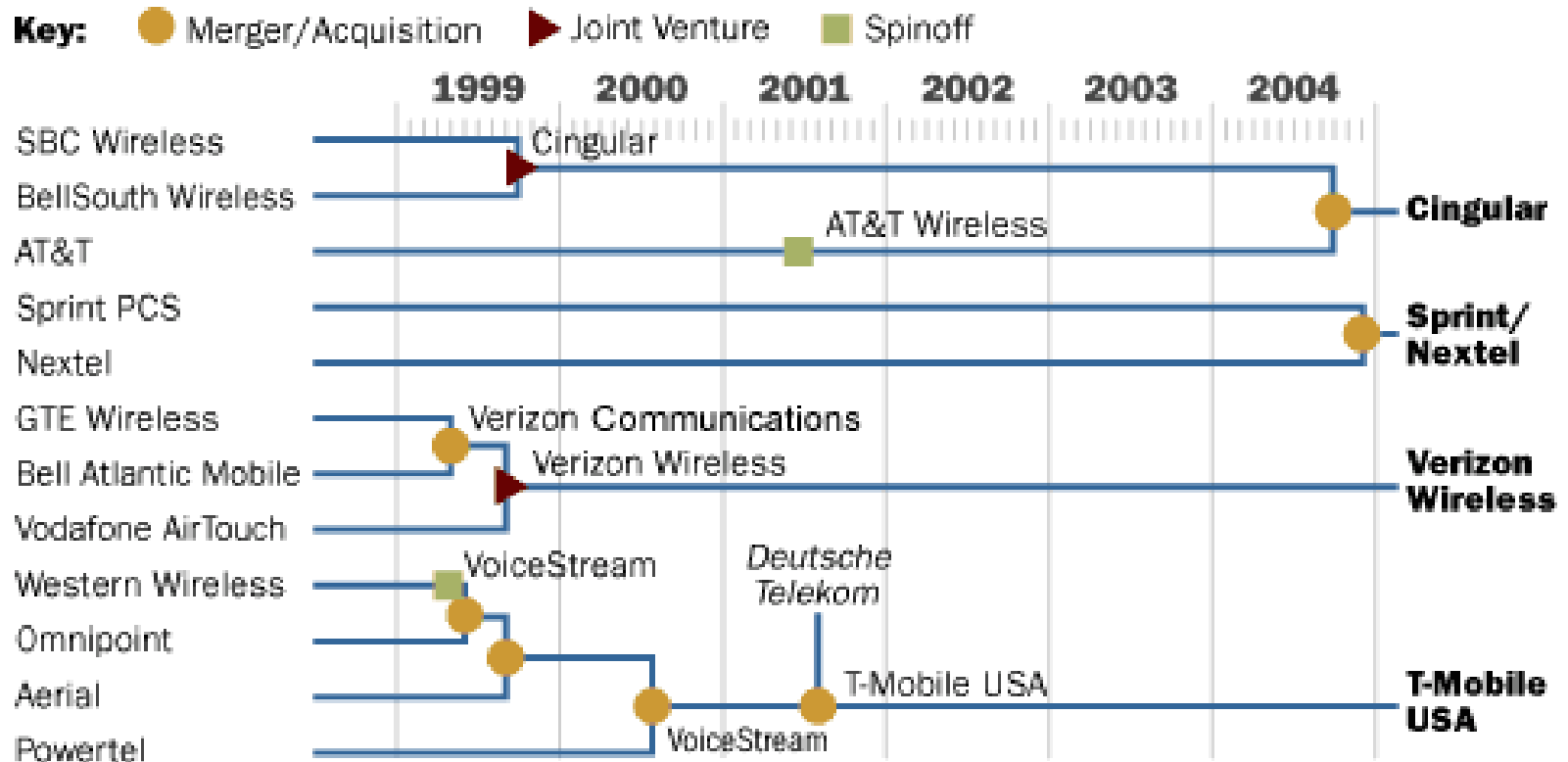


June 2007

Wireless industry is maturing



Consolidated wireless market has decreased competition for retail services and roaming



- Wireless market HHI is 2700 (DOJ considers 1800+ to be “highly concentrated”)
- HHI increased over 200 points in most recent recorded year
- Roaming rates are very high as national carriers have gobbled up regionals

Two firms dominate wireless, game plan is to hoard spectrum to preserve the status quo

	Verizon	AT&T	Combined
Average Spectrum	60 MHz	75 MHz	135 MHz
Wireless Subs	59 Million	61 Million	120 Million
Subscriber Share	25%	26%	51%
Share of Net Additions	32%	32%	64%
Operating Cash Flow	\$22.6 Billion	\$17.8 Billion	\$40.4 Billion

- Inheritors of original 800 MHz Cellular licenses, given by government via lottery (not auction), which provide a big coverage and quality advantage
- Aim to warehouse spectrum, especially 700 MHz low frequency licenses, to block competitors.
- Support any public policy (e.g., large license sizes, open bidding) that allows them to use their scale to advantage.

The Value of Coverage

Coverage: main consumer buying factor... ...and correlates highly to carrier operating performance

Reason for switching carrier Percent (Q4 2006)				Revenue Yield Cents (Q4 2006)	Churn Percent	Coverage Sq. Mi.	Freq. MHz	
Other			Coverage	Verizon	6.8	1.1%	1,142K	850/1900
Device	16	27		AT&T	6.6	1.8%	1,329K	850/1900
Promotion	4			Sprint	5.7	2.3%	777K	1900
	8			T-Mobile	5.1	2.9%	736K	1900
Features	9	14	Price	MetroPCS	2.0	4.7%	24K	1900
Minute plan	9	13	Friends/family plan					

- **Coverage = quality, reliability for mobile networks**
- VZ and AT&T are advantaged over newer, higher frequency operators (PCS, AWS) due to 850MHz cellular licenses
- 700 MHz is last chance to level the playing field